

TARTER KRINSKY & DROGIN LLP*Proposed Attorneys for 1320 43rd Street Realty LLC**Debtor and Debtor-in-Possession*1350 Broadway, 11th Floor

New York, New York 10018

(212) 216-8000

Scott S. Markowitz, Esq.

smarkowitz@tarterkrinsky.comUNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

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In re:	:
	:
	: Chapter 11
1320 43 RD STREET REALTY LLC. ¹	:
	:
	: Case No.: 22 - 40810
Debtor.	:
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**DECLARATION OF ZALMEN REISZ PURSUANT TO LOCAL BANKRUPTCY
RULE 1007-4**

I, Zalmen Reisz, declare, pursuant to section 1746 of title 28 of the United States Code,
that:

1. I am the managing member of 1320 43rd Street Realty LLC (“1320” or “Debtor”), a single member limited liability company organized under the laws of the State of New York. 1320 intends to file a voluntary chapter 11 petition with the Clerk of this court on April 19, 2022 (the “Petition Date”).

2. Based upon my role as the Debtor’s sole member, I am familiar with the Debtor’s day to day operations, business, financial affairs, and books and records. I am above eighteen years of age and I am competent to testify.

3. I submit this declaration (this “Declaration”) in accordance with Rule 1007-4 of the Local Rules of this court (the “Local Bankruptcy Rules”) to assist this court (the “Court”) and parties in interest in understanding the circumstances that compelled the commencement of

¹ The last four digits of the Debtor’s federal tax identification number is (0927).

this chapter 11 case, and in support of the Debtor's petition for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code").

4. Except as otherwise indicated, all facts set forth in this Declaration are based upon my personal knowledge, and my review of relevant documents and information concerning the Debtor's operations, financial affairs, and restructuring initiatives, or my opinions based upon my experience and knowledge. If called as a witness, I could and would testify competently to the facts set forth in this Declaration. I am authorized to submit this Declaration on behalf of the Debtor.

5. Parts I and II of this Declaration provide an overview of the Debtor's business, capital structure and circumstances giving rise to the commencement of this chapter 11 case. Part III sets forth the information requested by Local Bankruptcy Rule 1007-4.

I. THE DEBTOR'S BUSINESS

6. The Debtor is the fee owner of the real property commonly known as 1318-1320 43rd Street, Brooklyn, NY (the "Property"). The Property consists of two contiguous houses. There is no mortgage on the Property.

7. The Debtor has no employees and is likely a single asset real estate debtor.

8. As further discussed below, the Debtor commenced this chapter 11 case in an effort to resolve a dispute with the current occupant of the Property who occupies the Property improperly as its lease expired August 31, 2019. The Debtor intends to immediately remove to this Court litigation pending in Brooklyn Supreme Court regarding the unpaid rent and/or use and occupancy.

II. PRE-PETITION CAPITAL STRUCTURE

9. As noted, the Debtor is a privately held limited liability company organized under the laws of the State of New York. The Debtor has limited creditors and no secured debt other than potential fines and penalties asserted by the City of New York and/or its agencies.

10. On or about September 1, 2016, the Debtor and/or its predecessor in interest entered into a lease (the "Lease") for the entire building with a religious school (the "School"). The Lease expired by its terms on August 31, 2019. The Lease provided an option for the tenant to extend the term to August 31, 2020. However, the School failed to exercise the renewal option. The Lease also had provisions incorporating the past due arrears under a prior lease. The School stopped paying rent and/or use and occupancy in or about December 2019 and other than sporadic payments, the School continues to operate at the Property without paying rent.

11. In or about August 2020, the Debtor commenced an action in the Supreme Court of the State of New York, County of Kings against the School, seeking a judgment for unpaid rent and/or use and occupancy. The School did not answer the lawsuit, and recently after an inquest, an order for the payment of \$462,481.66 was entered against the School. The School is seeking to vacate the default judgment on technical grounds. The Debtor intends to utilize the applicable provisions of the Bankruptcy Code to obtain payment of the outstanding rent/use and occupancy and/or to obtain an order directing the School to vacate the Property.

III. INFORMATION REQUIRED BY LOCAL BANKRUPTCY RULE 1007-4

12. I have been advised that Local Bankruptcy Rule 1007-4 requires certain information related to a chapter 11 debtor which is set forth below.

13. In accordance with Local Bankruptcy Rule 1007-4(a)(5), there has been no prepetition committee of creditors formed in this chapter 11 case.

14. In accordance with Local Bankruptcy Rule 1007-4(a)(6), **Exhibit A** hereto is a list containing the names, addresses, and, where available, telephone and facsimile numbers of the creditors holding the twenty (20) largest unsecured claims (excluding insiders) against the Debtor.

15. In accordance with Local Bankruptcy Rule 1007-4(a)(7), **Exhibit B** hereto is a list containing the names, addresses, and, where available, telephone and facsimile numbers of the creditors holding the five (5) largest secured claims against the Debtor.

16. In accordance with Local Bankruptcy Rule 1007-4(a)(8), **Exhibit C** hereto is a list containing a summary of the Debtor's assets and liabilities.

17. To the best of my knowledge, none of the Debtor's property is in the possession or control of any custodian, public officer, mortgagee, pledgee, assignee or rents, or secured creditor, or agent for any such entity.

18. In accordance with Local Bankruptcy Rule 1007-4(a)(12), **Exhibit D** hereto is a list providing the location of the Debtor's substantial assets, the location of its books and records, and the value of any assets held by the Debtor outside the territorial limits of the United States.

19. In accordance with Local Bankruptcy Rule 1007-4(a)(13), **Exhibit E** hereto is a list of litigation commenced by or against the Debtor.

20. In accordance with Local Bankruptcy Rule 1007-4(a)(14), **Exhibit F** hereto is a list containing the names of the individuals who comprise the Debtor's existing senior management, with their tenure with the Debtor, and a brief summary of their relevant responsibilities and experience. The Debtor intends to continue to operate as a debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

21. The Debtor does not anticipate any payroll for the thirty (30) day period following the commencement of the Debtor's chapter 11 case.

22. In accordance with Local Bankruptcy Rule 1007-4(a)(17), **Exhibit G** hereto contains the estimated cash receipts and disbursements, net cash gain or loss, obligations and receivables expected to accrue but remain unpaid, other than professional fees, for the 30-day period following the commencement of the Debtor's chapter 11 case.

23. Because the Debtor is a single member LLC, prior to the Chapter 11 filing it did not maintain a bank account in its name rather, all monies were deposited into my personal bank account.

Under 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

Executed this 19th day of April 2022

/s/ Zalmen Reisz
ZALMEN REISZ

EXHIBIT A

1320 43RD STREET REALTY LLC

TWENTY (20) LARGEST UNSECURED CREDITORS

Fill in this information to identify the case:

Debtor name **1320 43rd Street Realty LLC**
 United States Bankruptcy Court for the: **EASTERN DISTRICT OF NEW YORK**
 Case number (if known): **22-40810**

☐ Check if this is an
 amended filing

Official Form 204
Chapter 11 or Chapter 9 Cases: List of Creditors Who Have the 20 Largest Unsecured Claims and Are Not Insiders
12/15

A list of creditors holding the 20 largest unsecured claims must be filed in a Chapter 11 or Chapter 9 case. Include claims which the debtor disputes. Do not include claims by any person or entity who is an insider, as defined in 11 U.S.C. § 101(31). Also, do not include claims by secured creditors, unless the unsecured claim resulting from inadequate collateral value places the creditor among the holders of the 20 largest unsecured claims.

Name of creditor and complete mailing address, including zip code	Name, telephone number and email address of creditor contact	Nature of claim (for example, trade debts, bank loans, professional services, and government contracts)	Indicate if claim is contingent, unliquidated, or disputed	Amount of claim If the claim is fully unsecured, fill in only unsecured claim amount. If claim is partially secured, fill in total claim amount and deduction for value of collateral or setoff to calculate unsecured claim.		
				Total claim, if partially secured	Deduction for value of collateral or setoff	Unsecured claim
NYC DEP 59-17 Junction Boulevard Elmhurst, NY 11373		Water and Sewer Charges				\$25,496.70
NYC Dept. of Buildings 280 Broadway New York, NY 10007		1318-1320 43rd Street, Brooklyn, NY	Unliquidated	Unknown	\$4,500,000.00	Unknown

EXHIBIT B

1320 43RD STREET REALTY LLC
FIVE LARGEST (5) SECURED CREDITORS

**IN THE UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK**

In re:

1320 43rd Street Realty LLC

Debtor.

Chapter 11

Case No. 22- 40810

LIST OF CREDITORS HOLDING 5 LARGEST SECURED CLAIMS

Following is a list of the debtor's creditors holding the 5 largest secured claims. The list is prepared in accordance with Rule 1007-4(a)(7) of the Local Rules of this court for the filing in this Chapter 11 case.

<i>NAME OF CREDITORS AND COMPLETE MAILING ADDRESS (INCLUDING ZIP CODE)</i>	<i>NAME, TELEPHONE NUMBER AND COMPLETE MAILING ADDRESS (INCLUDING ZIP CODE) OF EMPLOYEE, AGENT, OR DEPARTMENT (IF DIFFERENT FROM MAILING ADDRESS) OF CREDITOR FAMILIAR WITH CLAIM</i>	<i>AMOUNT OF CLAIM</i>	<i>DESCRIPTION AND EST. VALUE OF COLLATERAL SECURING CLAIM</i>
New York City Department of Buildings	280 Broadway New York, NY 10007	\$Unknown	Statutory Lien

DECLARATION UNDER PENALTY OF PERJURY

I, Zalmen Reisz, the sole and managing member of 1320 43rd Street Realty LLC. named as debtor in this case, declare under penalty of perjury that I have read the foregoing list of creditors holding the five (5) largest secured claims and that it is true and correct to the best of my information and belief.

Dated: New York, New York
April 19, 2022

Zalmen Reisz
Managing Member

EXHIBIT C

1320 43RD STREET REALTY LLC

ASSETS AND LIABILITIES

ASSETS

Real Property	\$4,500,000.00
Personal Property Fixtures & Equipment	\$100,000.00
Rent and/or Use and Occupancy Due to Company	\$1,185,000.00
Total Assets	<u>\$5,785,000.00</u>

LIABILITIES

Department of Buildings, Fines & Water & Sewer Charges	\$50,000.00
Total Potential Liabilities	<u>\$50,000.00</u>

EXHIBIT D

1320 43RD STREET REALTY LLC

Location of Debtor's Substantial Assets:

1318-1320 43rd Street
Brooklyn, New York 11219

Location of Debtor's Books and Records:

171 47th Street
Brooklyn, New York 11232

EXHIBIT E132 43RD STREET REALTY LLCSIGNIFICANT LITIGATION COMMENCED BY OR AGAINST THE DEBTOR PROR TO
THE PETITION DATE

Title of Action	Court	Nature of Action	Status
Zalman Reisz a/k/a Zalmen Reisz a/k/a Zalman Reiss; Fruma Reisz a/k/a Fruma Reiss; and 1320 43 rd Street Realty LLC v. Congregation Ichud Chasidum a/k/a Khal Ichud Chasidum and Congregation Machna Shalva (Index No. 512848/2020)	NYS Supreme Court, County of Kings	Collect unpaid rent/use and occupancy	Default Judgment granted after inquest

EXHIBIT F

1320 43RD STREET REALTY LLC

DEBTOR'S EXISTING SENIOR MANAGEMENT

Name/Position	Summary of Responsibilities and Experience
Zalmen Reisz/Managing Member	Experienced real estate owner who is in charge of all aspects of the business

EXHIBIT G

1320 43RD STREET REALTY LLC

**DEBTOR'S ESTIMATED RECEIPTS AND DISBURSEMENTS FOR THE 30-DAY PERIOD
FOLLOWING THE PETITION DATE**

Receipts: Use and Occupancy	\$30,000.00 -\$40,000.00 ¹
Disbursements	\$5,000.00

¹ The occupant has not been paying use and occupancy.